

taxcert
RESOLUTION OF THE CITY COUNCIL

No. 717

Approved December 28, 1998

WHEREAS, pursuant to Chapter 9 of Title 44 of the General Laws of the State of Rhode Island, as amended, the tax collector of any municipality is authorized to file tax liens to secure unpaid taxes on real estate; and

WHEREAS, pursuant to Section 44-5-61 of the Rhode Island General Laws, any Rhode Island municipality may, by resolution of its legislative body, assign tax liens for consideration in accordance with terms and conditions acceptable to such municipalities; and

WHEREAS, the City of Providence ("the City") has, over the past years, created liens on real estate for failure of owners of such real estate to pay taxes which presently remain uncollected and total in excess of \$9,000,000; and

WHEREAS, the City has determined that its ability to realize the economic benefit of these delinquent tax liens would be enhanced by its participation in a structured financing program; and

WHEREAS, the City administration, in consultation with its Financial Advisor and counsel, has determined that it would be in the best interest of the City to sell its tax liens through an open bidding process.

NOW, THEREFORE, BE IT RESOLVED that:

Section 1. The City is hereby authorized and directed to solicit bids through the Board of Contract & Supply and complete the assignment and sale of any and all delinquent tax liens of all years prior thereto to the extent authorized by law subject to the terms and conditions imposed by the City, including but not limited to, the following:

A. The City's Finance Director and Tax Collector shall analyze and prepare for the City all necessary information to permit the City to receive bids on its pool of delinquent tax liens.

B. Any fees incurred by the City shall be paid only from the successful sale of the tax liens.

C. In the bid specifications, the owner shall be responsible for the maintenance of the property and fencing of the property, where reasonable.

D. The purchaser of said delinquent tax liens is permitted to further assign and resell the tax lien certificates (in whole or in part) to any third party or parties subject to applicable law, pursuant to the financing documents, and any and all restrictions imposed by the City. The City acknowledges that it shall recognize the validity of any such third party assignment and resell to any party that indirectly derives its title to any tax lien certificate from the purchaser.

E. The Mayor is hereby authorized to execute in the name and on behalf of the City any and all documents, certificates, and agreements necessary to effectuate and consummate the assignment sale.

Section 2. Said Assignment Sale is absolute and irrevocable and the City shall retain no interest, reversionary or otherwise, in said tax lien certificates to be assigned and sold.

Section 3. The City shall receive as consideration for the Assignment Sale moneys and a promissory note (evidencing the retention of a subordinate economic interest).

Section 4. This resolution shall take effect upon passage.

IN CITY COUNCIL
DEC 17 1998
READ AND PASSED
Evelyn V. Fargnoli
PRES.
Michael R. Clement
CLERK

APPROVED
DEC 28 1998
Vincent A. Lima
MAYOR